

Strategic Business Planning

~ Session 3 ~

Knowing Your Market



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There is always a right way and a wrong way to succeed!!

Two Jesuit priests both wanted a cigarette while they prayed. They decided to ask their Bishop for permission. The first asked but was told no. A little while later he spotted his friend smoking, ‘Why did the Bishop allow you to smoke and not me?’ he asked.

‘Because you asked if you could smoke while you prayed and I asked if I could pray while I smoked!’ the friend replied.

John Capozzi



THE SEVEN HABITS OF HIGHLY EFFECTIVE PEOPLE

Dr Stephen R. Covey

1. BE PROACTIVE
2. BEGIN WITH THE END IN MIND
3. PUT FIRST THINGS FIRST
4. THINK WIN / WIN
5. SEEK FIRST TO UNDERSTAND
THEN, TO BE UNDERSTOOD
6. SYNERGISE
7. RENEWAL / CONTINUOUS IMPROVEMENT

THE SEVEN HABITS OF HIGHLY EFFECTIVE PEOPLE

Dr Stephen R. Covey

SYNERGISE

Session 3 ~ Strategic Business Planning ~ Knowing Your Market

SYNERGY – The Principle of Creative Co-operation

Synergy is the state in which the whole is more than the sum of the parts.

In an environment of trust and open communication, people working interdependently are able to generate creativity, improvement and innovation beyond the total of their individual but separate capacities.

Stephen R. Covey



SYNERGY – The Principle of Creative Co-operation

Development of an effective partnering relationship is dependent upon:

- **Mutual respect**
- **Trust**
- **Openness**
- **Integrity**
- **Compatible cultures and values**
- **Communication**

SYNERGY – The Principle of Creative Co-operation

**The greater the contrast, the greater
the potential.**

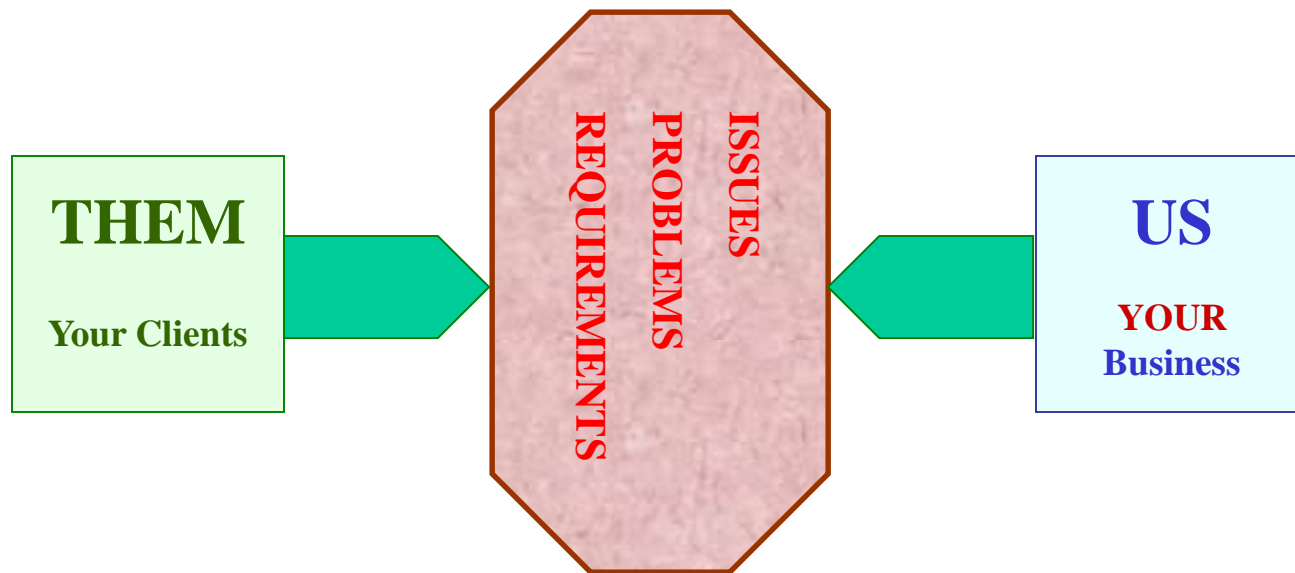
**Great energy only comes from a
correspondingly great tension between
opposites.**

Carl Jung



SYNERGY – The Principle of Creative Co-operation

Business Communication Styles ~ 'The Old Way'



SYNERGY - The Principle of Creative Co-operation

Business Communication Styles ~ 'The New Way'



SYNERGY – The Principle of Creative Co-operation

**The bitterness of poor
quality remains long after
the sweetness of meeting
the schedule has been
forgotten.**

John Capozzi



Strategic Position Analysis

A few ideas for you to consider and then apply to
YOUR business plan/s

Strategic Position Analysis

**How efficiently do you
manage your time and effort
~ as far as the total
'chargeable' hours are
concerned?**

Strategic Position Analysis

❑ AVAILABILITY

e.g. 2000 hours per year

❑ UTILISATION

e.g. 75%

❑ EFFICIENCY

e.g. 75%

This yields only **1125** hours of 'work' for the year .. !!

What is the situation within **YOUR** business?

Do you know and / or measure these KPIs?

Strategic Position Analysis

Value = Price + Performance

If it is ~

'ZERO COST'

~ does it have any value?

Strategic Position Analysis

- **Barriers to Entry**
- **Intensity of Competition**
- **Threat of Substitute**
- **Supplier's Power**
- **Buyer's Power**
- **Your own Company**
 - * Culture
 - * People

Strategic Position Analysis

Business Strengths

LOW	MED	HIGH	
Selective Investment	Competitive Investment	Competitive Investment	HIGH
No Investment	Selective Investment	Competitive Investment	MED
No Investment	No Investment	Selective Investment	LOW

Market Attractiveness

~ SEGMENT ~ PRODUCT ~ CUSTOMER ~

Strategic Position Analysis

Where would you place **YOUR** business?

MARKET ATTRACTIVENESS	HIGH			
	MEDIUM			
	LOW			
		HIGH	MEDIUM	LOW

Strategic Position Analysis

LOWEST PRICE

e.g. **McDonalds / Bunnings**

OPERATIONAL EXCELLENCE

Through:

SYSTEMS & PROCEDURES

BEST PRODUCTS

e.g. **Apple / Sony**

PRODUCT INNOVATION

Through:

**MARKET FOCUS / DRIVERS
ENTREPRENEURIAL / RISK TAKERS**

BEST SOLUTION

e.g. **IBM / Google**

CUSTOMER INTIMATE

Through:

**EXCELLENT COMMUNICATORS (& Listeners)
SOLUTION DRIVEN (Think 'Outside the Square')**

Strategic Position Analysis

LOWEST PRICE ~ OPERATIONAL EXCELLENCE

BEST PRODUCTS ~ PRODUCT INNOVATION

BEST SOLUTION ~ CUSTOMER INTIMATE

Where do you currently see **YOUR business?**

Where do **YOU want to position it in the future?**





Strategic Position Analysis

The Marketing 'Ps' to Remember and Utilise

The traditional 5 Ps plus a few 'new' ones

...

The Marketing 'Ps' to Remember and Utilise

- PRODUCTS**
- PRICE**
- PROFIT**
- POSITION (or Placement)**
- PROMOTION**
- PEOPLE**
- PSYCHOLOGY**
- PROCESS (or Procedures)**

Strategic Position Analysis

The McKinsey Group's

'7 Ss' for success

The McKinsey Groups '7 Ss' for success

- ❑ **STRATEGY**
- ❑ **STRUCTURE**
- ❑ **SYSTEMS**
- ❑ **STAFFING**
- ❑ **SKILLING**
- ❑ **STYLE**
- ❑ **SHARED BELIEFS**



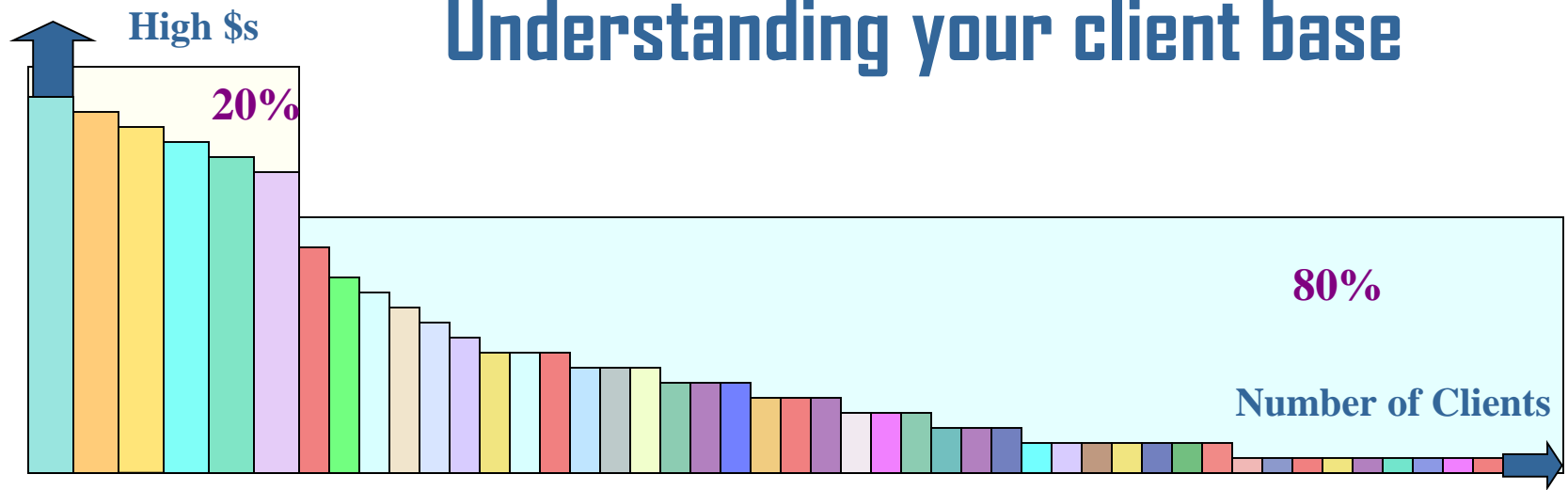
MARKET SEGMENTATION

Understanding your client base

Understanding your client base

**Do you know what the Market
and Client Segmentation is for
YOUR business?**

Understanding your client base

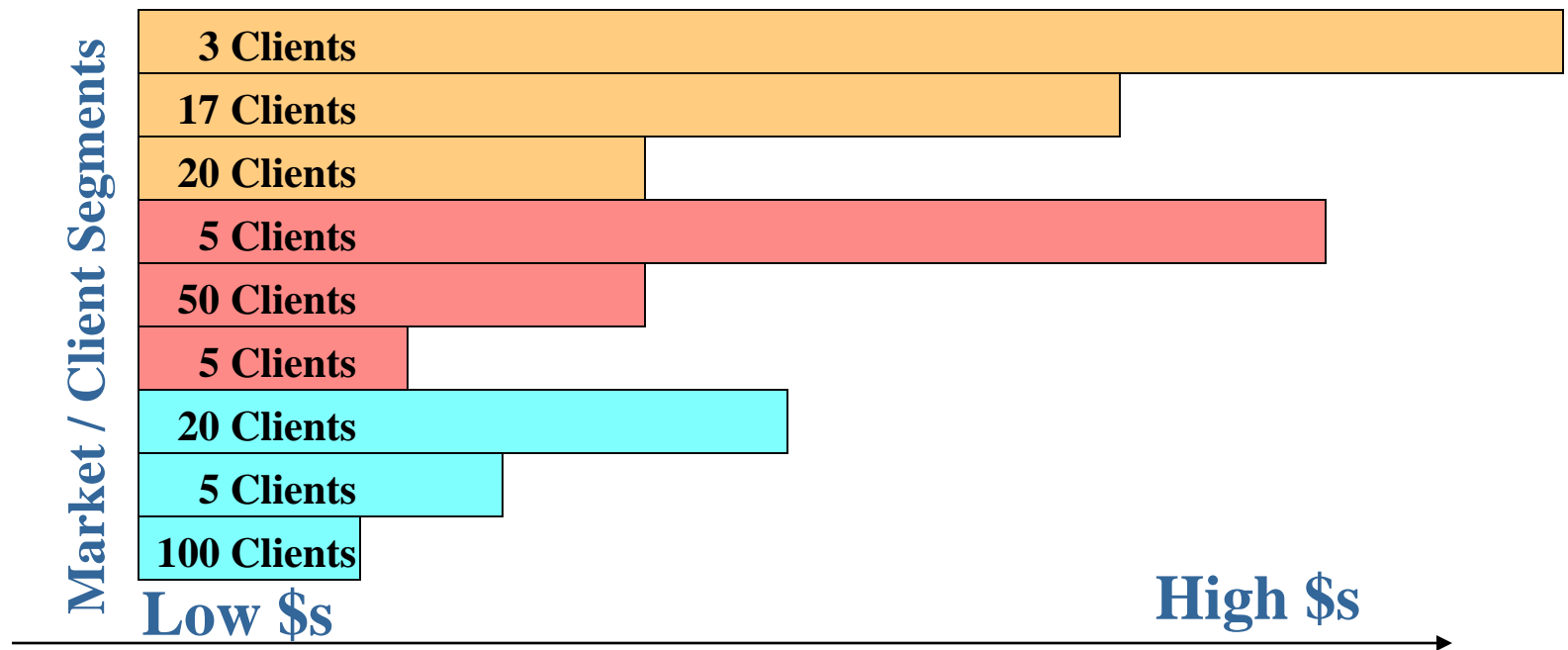


The Pareto factor or 80/20% effect

Vilfredo Pareto 1848 ~ 1923

Understanding your client base

Review the bar chart below showing 3 colour-coded market segments and the client revenue mix and make some comments ... !!

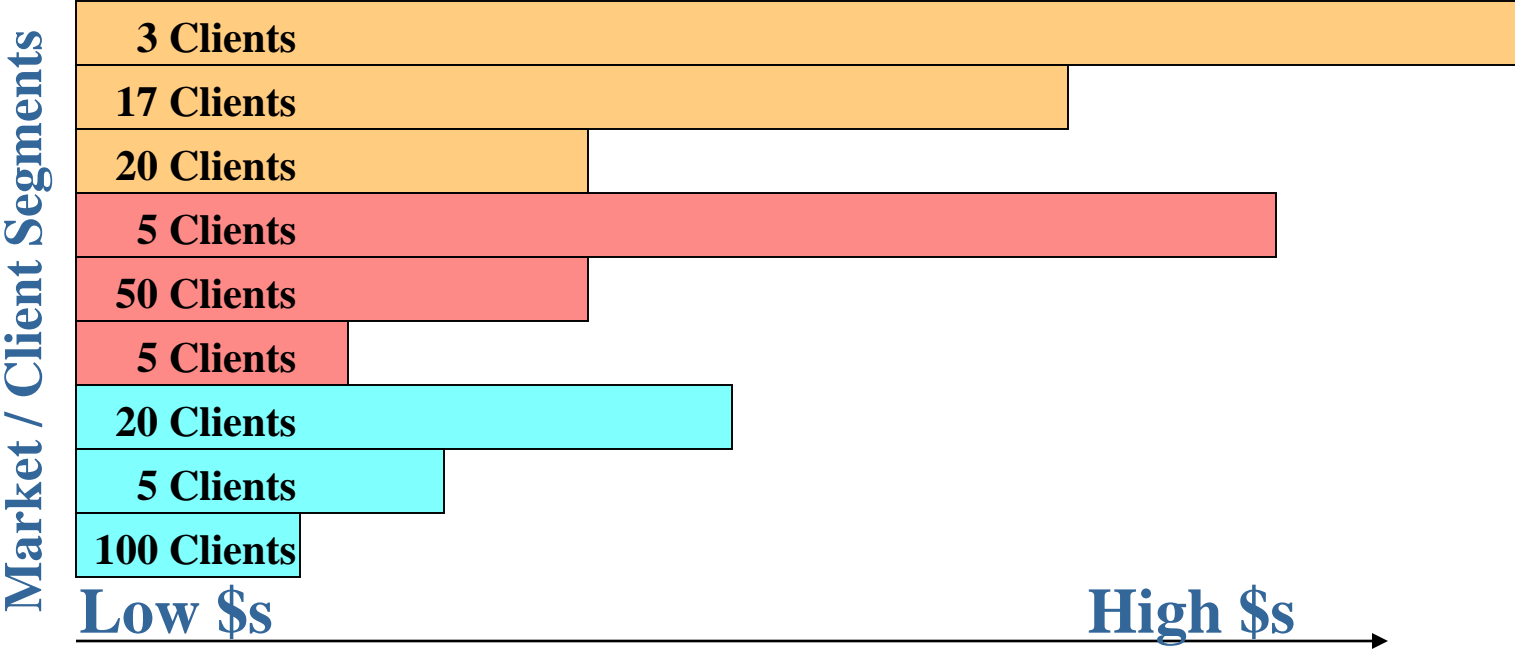
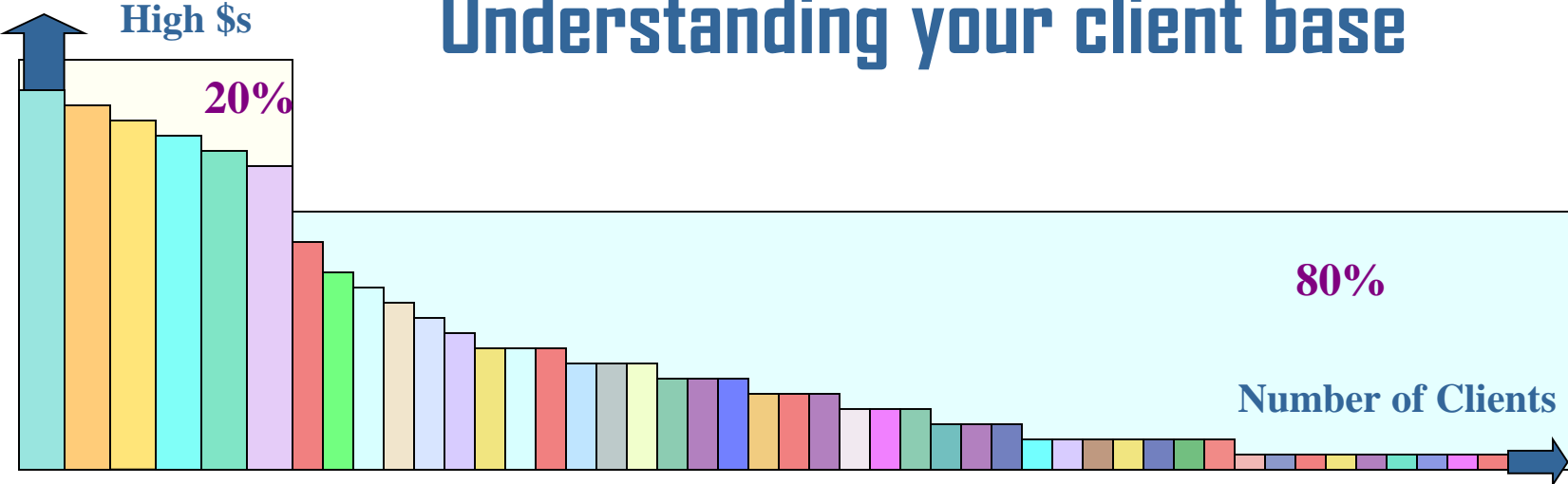


Understanding your client base

- ✓ 45 clients (20%) came from across the three segments with medium to high revenue performance being enjoyed.
- ✓ 70 clients (31%) came from two of the segments with lower revenue offerings than the 20 clients in the light blue segment but they would probably have higher demands on your time.
- ✓ 110 clients (49%) came from two segments ~ but predominantly the light blue ~ where you would have been working very hard over a number of projects for little income potential.

Where would you rather position YOUR business in the future?

Understanding your client base



Understanding your client base

Data Gathering Sources

- ✓ **Customers you trust**
- ✓ **Government statistics**
- ✓ **Industry statistics**
- ✓ **Company data ~ past work**
- ✓ **Trade Associations**
- ✓ **Extrapolation from other data (\$s / employee ~ competitor analysis)**
- ✓ **Market evaluation (SWOT)**
- ✓ **Other industry suppliers (e.g. Your key and trusted suppliers)**



This is the end of the third session.

Now that you have some strategic planning ideas to work with you may need to do some more homework on your action plans ... !!!

